

**LETTER OF INTENT
TO ESTABLISH AND MAINTAIN A
CHILD DEVELOPMENT RESERVE ACCOUNT**
CDFS 9530-LTR (Rev. 06/04)

Return to: **California Department of Education
Child Development Fiscal Services
1430 N Street, Suite 2213
Sacramento, CA 95814-5901**

Pursuant to *Education Code* 8450, the following agency hereby declares the intent to establish and maintain a Reserve Account within the Child Development Fund:

Agency Name: _____

County Number: _____ Vendor Code: _____

Reserve Account *Type(s)* for which this letter applies:

☐ Center-Based ☐ Alternative Payment (AP) ☐ Resource & Referral (R&R)

The above-named agency hereby agrees to all of the following:

- There shall be a separate Reserve Account for each reserve account *type*.
- A Reserve Account shall be kept in an interest-bearing account. Interest earned shall be included in the Reserve Account balance.
- Agencies shall file a "Reserve Account Activity Report" (CDFS 9530-A) for each Reserve Account *type*. These reports indicate expenditures, income, and balances and are due annually with the June final Attendance and Fiscal Reports. This information shall also be included in an agency's audit. If an agency's audit shows a beginning reserve account balance that is different from the prior year's final ending balance, the agency will be given 30 days to explain the steps that will be taken to correct the discrepancy. Failure to comply within 30 days will result in immediate closure of the reserve account and a billing for the entire amount will be mailed to the agency.
- Transfers from a Reserve Account shall be to programs of the same *type* as the Reserve Account and shall be for reimbursable expenses for programs funded under contract with the California Department of Education (CDE). Expenditures shall be reported on the Reserve Account Activity Report and **also** as "TRANSFER FROM RESERVE FUND" on the program's Attendance and Fiscal Report and in the agency's audit.
- Funding amounts to be reserved are derived from earned but unexpended contract funds and will be calculated by the CDE during the final closure of each year's contract. Multiple contracts of the same *type* contribute to one reserve. Certain one-time-only contract funds are not eligible to be reserved.
- For AP and R&R reserve accounts, balances in excess of reserve limits shall be billed by and returned to the CDE.
- Upon termination of the child development contracts, all monies in a Reserve Account shall be returned to the CDE.

Signature of Authorized Designee: _____

Print Name: _____ Date: _____

DEADLINE: Reserve Accounts may be established at any time, but *must* be established by July 20th for the *prior* fiscal year (ending June 30th) to be included in the reserve.